



August 29, 2005

JAMES C. WAYMAN
PRESIDENT
CHIEF EXECUTIVE OFFICER

2005 SEP - 2 AM 10:35

FDIC San Francisco Regional Office
Director John F. Carter
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Sir:

I am the President of Emporia State Bank and Trust Company, and I wish to object to Wal-Mart's application for a Utah industrial loan company charter. Although Wal-Mart says that it's ILC will have a limited function, once they have a charter they can expand their business plan later on.

A full-service Wal-Mart bank in our community would certainly cause a disruption in the competitive environment. Wal-Mart could instantly have a nationwide network of branches if it decided to locate a branch operation in each of its stores. There would certainly be a competitive advantage for such a large business to be able to accomplish that feat. The small community banks in our community would have a difficult time in keeping up with such a large and aggressive competitor who would be able to supplement its income from its banking operations from other sales to attract new customers.

Wal-Mart's customer base represents the same customers that many community banks in our community have for customers. With declining interest margins, community banks have survived because of their ability to offer services for additional fee income. The introduction of a Wal-Mart bank in our community would most certainly put pressure on that fee income for community banks. Wal-Mart certainly has the resources to give a lot of services away to attract new customers that community banks do not possess.

There will likely be a decrease in the number of community banks as a result. With less competition, some businesses will be faced with having to go to their Wal-Mart competition to obtain the same financial services that they obtained from the community banks that will no longer exist.

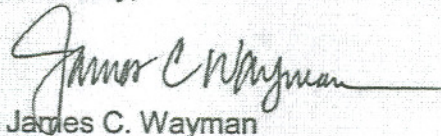
MAIN BANK - 801 Merchant • INDUSTRIAL PLAZA BANK - 1111 Industrial Road
P.O. BOX 807 • EMPORIA, KANSAS 66801 • PHONE: 620-342-3454 • FAX: 620-342-5311
E-MAIL: esbtrust@esbtrust.com • WEBSITE: www.ESBTRUST.com

Although on the surface, the increase in competition will bring lower fees to the general public, the long-term results could be devastating in the fact that there will be less competition. The full-service banks that remain will be in the same financial shape as the airline industry is today. Our economy will suffer as a result.

Small communities like ours will suffer more than larger communities. Small communities depend on the financial expertise of community bankers in their economic development efforts to attract new business and industry to their communities. Community banks provide expertise for many community-based organizations in small communities. The donations that community banks make to community-based organizations will dry up. If these things happen, small communities will continue to get smaller at the expense of the larger communities that have more resources.

Thanks you for allowing me to comment on this proposal.

Sincerely,

A handwritten signature in cursive script, reading "James C. Wayman", written in dark ink. The signature is fluid and extends to the right with a long horizontal stroke.

James C. Wayman